



INTERIM REPORT 2023/24

世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 959)

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BOARD OF DIRECTORS

Executive

Mr. Ng Man Sun (*Chairman and Chief Executive Officer*)

Ms. Ng Wai Yee

Independent Non-executive

Ms. Yeung Pui Han, Regina

Mr. Li Chi Fai

Ms. Sie Nien Che, Celia

AUDIT COMMITTEE

Mr. Li Chi Fai (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

COMPLIANCE COMMITTEE

Ms. Ng Wai Yee (*Chairlady*)

Mr. Li Chi Fai

Mr. Man Yun Wah (*Company Secretary*)

REMUNERATION COMMITTEE

Ms. Yeung Pui Han, Regina (*Chairlady*)

Ms. Ng Wai Yee

Ms. Sie Nien Che, Celia

NOMINATION COMMITTEE

Mr. Ng Man Sun (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

COMPANY SECRETARY

Mr. Man Yun Wah

AUDITOR

Elite Partners CPA Limited

LEGAL ADVISER

Cheng, Yeung & Co.

INVESTOR RELATIONS CONSULTANT

DLK Advisory Limited

STOCK CODE

959

BRANCH SHARE REGISTRAR

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

Clarendon House

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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

G02, Shun Tak Centre

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Sheung Wan

Hong Kong

FINANCIAL REVIEW

The principal activities of the Group are investment holdings, operating gaming tables in Cambodia and development of innovative intellectual properties and technological solutions in connection with AR/VR applications to clients.

The Group recorded no revenue for the Period under Review and last year. The decrease in revenue was mainly attributable to the spread of COVID-19 and the imposed lockdown measures and temporary closure of all casinos in Cambodia affecting the gaming table business and also that the work on the re-opening of the gaming table was still in progress. Net loss for the Period under Review was approximately HK\$10.99 million, increasing approximately 89.5% as compared to approximately HK\$5.8 million for the corresponding period last year. The increase in loss was mainly due to (a) recognition of a reversal of impairment loss on accounts and other receivables of approximately HK\$9.4 million; and (b) recognition of a fair value gain on financial assets and financial liabilities at fair value through profit or loss of approximately HK\$2.1 million for the six months ended 30 September 2022.

Capital Structure

As at 30 September 2023, the Company's total number of issued shares was 128,247,561 (31 March 2023: 128,247,561) at HK\$0.01 each. The Group's consolidated net liabilities totalled approximately HK\$78 million, representing an increase of approximately HK\$10.99 million as compared to net liabilities of approximately HK\$67.5 million as at 31 March 2023.

Liquidity and Financial Resources

The Group adopts a prudent treasury policy. It finances its operations and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fundraising activities.

Management Discussion and Analysis

As at 30 September 2023, the Group had total assets and net liabilities of approximately HK\$90.9 million (31 March 2023: approximately HK\$91.1 million) and approximately HK\$78.5 million (31 March 2023: approximately HK\$67.5 million), respectively, comprising non-current assets of approximately HK\$8.1 million (31 March 2023: approximately HK\$8.2 million) and current assets of approximately HK\$82.8 million (31 March 2023: approximately HK\$82.9 million). As at 30 September 2023, the Group also did not have any non-controlling interests (31 March 2023: Nil) and had current liabilities of approximately HK\$135.5 million (31 March 2023, approximately HK\$128.2 million).

As at 30 September 2023, the Group's gearing ratio, calculated as a ratio of total debt to total assets, was approximately 186.3% (31 March 2023: approximately 174.1%).

BUSINESS REVIEW

Business Overview

Since the border reopening earlier this year, the Cambodian government has stepped up its effort to attract foreign visitors, in an attempt to boost its local tourism industry and in turn, driving economic recovery. On this front, international tourist arrivals surged 211% year-on-year to 3.92 million visitors for the first nine months of 2023, signifying the positive momentum and promising outlook. Yet, in spite of the improving macroenvironment, the Cambodian government continued its efforts in regulating the gaming industry, maintaining its strong stance since the legislation of the gambling bill in 2021. Specifically, the bill heightened market entry barriers and operation requirements, such as increasing capital requirement for casino operators. Being a licensed gaming table operator in Cambodia, the Group believes the new regulation will strengthen its position and maintain its competitive edge against potential new competitors. Riding on the recovering sentiment in the gaming market, along with the strong rebound in the country's tourism industry, the Group aims to solidify its position and capture opportunities from the latest round of positive development.

During the Period under review, the Group continued to maintain effective communication with the Assignors and legal parties, in order to expedite the commencement of the eight-gaming table business (the “**Gaming Table Business Rights**”) from the signed agreements, where the Group will be entitled to 100% house win winnings and will bear 100% house losses, as well as the associated staff costs and taxes. Unfortunately, there has been a delay in releasing the circular, as additional time is required for the preparation of materials. The Group anticipates that the announcement will be dispatched by the end of fiscal year 2023/2024, with related operation starting to generate revenue in the upcoming year.

Gaming Table Business in Cambodia

In view of the burgeoning gaming market in Dara Sakor, Victor Mind Global Limited (“**VMG**”), a wholly-owned subsidiary of the Company, and Lion King Entertainment Company Limited (“**Lion King**”), the assignor (the “**Assignor**”) of the Gaming Table Business Rights and a company wholly-owned by Mr. Ng Man Sun (“**Mr. Ng**”), entered into the new assignment agreement on 27 February 2023. This agreement entails Lion King conditionally assigning the New Gaming Table Business Rights to VMG, with VMG agreeing to accept the assignment of eight gaming tables for a five-year term at a consideration of HK\$58 million. The settlement of this consideration will occur by offsetting the Group’s owed amount from Mr. Ng and Lion King. These gaming tables, primarily focusing on baccarat, will be situated in the casino’s mass market area at Dara Sakor, Koh Kong Province, Cambodia. The Group shall be entitled to 100% house win winnings and will bear 100% house losses, as well as the associated staff costs and taxes. According to the operational history of the new gaming tables from November 2021 to March 2023, it recorded an unaudited net revenue and net profit of approximately HK\$9.2 million and HK\$6.0 million, respectively. This track record instills confidence into the Group that taking charge of these gaming tables will bolster its overall profitability.

Management Discussion and Analysis

As additional time is required for preparing the information to be included, the despatch date of the circular is expected to be delayed further (as supplemented by the five announcements in relation to the delay in dispatch of circular dated 31 March 2023, 2 May 2023, 30 June 2023, 31 August 2023 and 29 September 2023). The Group will keep its shareholders and potential investors informed by the way of announcement as and when appropriate in accordance with the Listing Rules. The Group has been trying its best effort to expedite the process of completing the Assignment Agreement by late fiscal year 2023/2024, with the aim of reaping the financial benefits of the mass gaming tables starting from fiscal year 2024/2025. The Group remains optimistic about the pivotal role these new gaming tables will play in reinforcing and expanding its gaming business.

Augmented reality (“AR”)/Virtual reality (“VR”) entertainment

Despite the general market recovery, Explicitly Grand Investments Limited, a wholly-owned subsidiary of the Company, and its subsidiary companies (collectively known as the “**Explicitly Grand Group**”), have encountered difficulties in acquiring new clients and generating new orders. The worsening consumer confidence stemming from higher interest rates, together with the fierce market competition in the AR/VR products and services market, have altogether led to a substantial decline in demand for the Group’s offerings, putting pressure on its operation.

Amid growing market uncertainties, the Group continued to adopt a prudent strategy in managing the operations of the Explicitly Grand Group, while exploring restructuring options and alternative business prospects. The Group maintains a steadfast commitment to prioritizing its core gaming operations, striving for sustainable business growth.

Going Concern

In preparing the condensed consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2023. The Group incurred a net loss attributable to owners of the Company of approximately HK\$10,990,000 for the six months ended 30 September 2023, and had net current liabilities of approximately HK\$52,734,000 as at 30 September 2023.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

1. The borrowings from Mr. Ng of HK\$60,008,000 was included in other borrowings of the Group;
2. Mr. Ng undertook that he will not call for repayment of the abovementioned sum;
3. Mr. Ng is willing to provide the Company with financial assistance to fill the shortfall of the Company's working capital;
4. included in the other borrowings, there is a sum of HK\$58,000,000 due to independent third parties which are personally guaranteed by Mr. Ng; and
5. a convertible bond amounted to HK\$50,000,000 in principal is held by Mr. Ng and he is able to convert the convertible bond into equity shares subject to the compliance of the terms and conditions of the convertible bond and/or corresponding Listing Rules and Takeover Codes.

Management Discussion and Analysis

6. The Group entered into acquisition of eight gaming table business rights with a company controlled by Mr. Ng (the "**Acquisition**"). Details are set out in the announcement of the Company dated 27 February 2023. The completion of the Acquisition is subject to approval from independent shareholders of the Company. Up to the date of this report, the approval was not yet obtained and the Acquisition was not yet completed.

In addition, the Directors will use their best endeavours to take practicable and feasible actions to resolve the issue, including but not limited to the following:

1. The management will negotiate with creditors of the Group to propose debt reconstruction with the view to reducing the liabilities to the Group. The management has had internal discussion on the possible timeline and the negotiation terms and is currently seeking legal advice and further announcement will be published in due course.
2. The management will discuss with the holder of the convertible bond, that is, Mr. Ng, on the possibilities to convert the convertible bond into equity shares prior to the maturity date. As at the date of this report, the Company has yet to discuss with Mr. Ng on this issue.

Having taken into account of the abovementioned, the Directors opined that the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 September 2023 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

OUTLOOK AND PROSPECTS

Outlook

Despite global market fluctuations, Cambodia's economy enjoyed a notable rebound, primarily driven by the recovery of its tourism industry. The Cambodian government has implemented various initiatives to bolster this sector, including the construction of a new airport, the introduction of ecotourism, and the "Visit Cambodia Year 2023" campaign. With these initiatives in place, the Tourism Minister Thong Khon projects that the country will welcome over 5.6 million international tourists in 2024, and is poised to reach 7 million in 2025, surpassing the pre-COVID-19 pandemic level of 6.6 million in 2019. Alongside the rapid growth in the service industry, Cambodia's economy is expected to expand by 5.3% in 2023 and 6.0% in 2024, according to a report by the Asian Development Bank.

On the backdrop of such positive industry outlook, the Group will continue to focus on its core Gaming Table Business, and make every effort to expedite the circular dispatchment regarding the eight gaming tables, aiming to resume its business at the earliest possible. To further diversify risks and revenue streams, the Group has also been in active discussion to explore the opportunities of VIP gaming table business in Cambodia, as well as in the entertainment industry in the Southeast Asian region. To strengthen its financial position and reduce its debt exposure, the Group also entered into a subscription agreement with Mr. Ng on 16 October 2023, pursuant to which Mr. Ng has agreed to subscribe for the convertible bond with a principal amount of HK\$32,000,000. The subscription would allow the Company to settle part of the indebted amount, while retaining necessary capital in preparation for the eight new gaming tables by the end of the year. Overall, the Group remains cautiously optimistic for its future growth and development. The Group will also stay vigilant in its operations and strategy, so as to deliver sustainable value to its stakeholders.

Management Discussion and Analysis

Appreciation

The Board would like to take this opportunity to thank the management and staff for their contributions and support, and looks forward to sharing the Group's successes with them. It also wishes to express its gratitude to the Group's investors and shareholders for their trust and unwavering support, and will be fully committed to delivering long-term value and optimum returns to both parties.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

FOREIGN EXCHANGE AND CURRENCY RISKS

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, United States dollars, Renminbi and Macau Patacas. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

EMPLOYEES AND REMUNERATION POLICY

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 30 September 2023, none of the Directors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register(s) and kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Long Position in shares and underlying shares of the Company

Name of Directors	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate percentage of issued share capital
Mr. Ng Man Sun	Beneficial owner	35,841,459	100,720,652 <i>(Note 1)</i>	136,562,111	106.48%
	Interest in a controlled corporation <i>(Note 3)</i>	30,737	-	30,737	0.02%
	Total	35,872,196	100,720,652 <i>(Note 1)</i>	136,592,848	106.50%
Ms. Ng Wai Yee	Beneficial owner	-	745,478 <i>(Note 2)</i>	745,478	0.58%
Ms. Yeung Pui Han, Regina	Beneficial owner	-	196,478 <i>(Note 2)</i>	196,478	0.15%
Mr. Li Chi Fai	Beneficial owner	-	196,478 <i>(Note 2)</i>	196,478	0.15%
Ms. Sie Nien Che, Celia	Beneficial owner	30,000	171,652 <i>(Note 2)</i>	201,652	0.16%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Long Position in shares and underlying shares of the Company (CONTINUED)

Notes:

1. These interests represent the number of underlying shares in respect of (i) the 2012 Scheme (720,652 underlying shares and as defined below); and (ii) the CB issued to Mr. Ng on 31 March 2021 (100,000,000 underlying shares). Details of the 2012 Scheme are set out under section headed "Share Option Scheme" on page 13 of this report, and details of the CB are set out under the sub-section headed "Subscription of the Convertible Bond" of the Management Discussion and Analysis respectively. The exercise of the conversion rights under the CB shall be subject to compliance with the Listing Rules, the Takeovers Code or applicable laws or regulations.
2. These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out under the section headed "Share Option Scheme" on page 13 of this report.
3. For 30,737 shares being held by East Legend Holdings Limited ("**East Legend**"), Mr. Ng is interested in the entire issued share capital of East Legend and he is deemed to be interested in the 30,737 shares held by East Legend.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Share Option Scheme" below, at no time during the six months ended 30 September 2023 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the Period under Review.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2023, the following persons (not being the Directors or chief executive) had interests or short position in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under section 336 of the SFO.

Name	Capacity	Number of shares held	Approximate percentage of issued share capital
Ms. Cheng Wai Man	Beneficial owner	9,621,212	7.50%
Mr. Huang Wei Qiang	Beneficial owner	8,690,000	6.78%
Mr. Wong Kam Wah	Beneficial owner	8,254,212	6.44%

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**2012 Scheme**”) on 12 September 2012 which was valid and effective for 10 years from its date of adoption and has been expired on 11 September 2022.

The purpose of the 2012 Scheme is to recognise eligible persons as incentives and rewards for their contribution to the Group.

Other Information

SHARE OPTION SCHEME (CONTINUED)

The movements of the Company's share options outstanding under the 2012 Scheme during the Period under Review are as follows:

	Date of Grant	No. of share options ('000)				Adjusted exercise price HK\$ (Notes 2, 4)	
		As at 1 April 2023 (Notes 2, 4)	Granted	Lapsed	As at 30 September 2023 (Notes 2, 4)		
Directors							
Mr. Ng Man Sun	03/03/2014	25	-	-	25	03/03/2014-02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Ms. Ng Wai Yee	03/03/2014	25	-	-	25	03/03/2014-02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	610	-	-	610	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Ms. Yeung Pui Han, Regina	03/03/2014	25	-	-	25	03/03/2014-02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00

SHARE OPTION SCHEME (CONTINUED)

	Date of Grant	No. of share options ('000)				Adjusted exercise price HK\$ (Notes 2, 4)	
		As at 1 April 2023 (Notes 2, 4)	Granted	Lapsed	As at 30 September 2023 (Notes 2, 4)		
Mr. Li Chi Fai	03/03/2014	25	-	-	25	03/03/2014-02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015-09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Ms. Sie Nien Che, Celia	03/03/2014	25	-	-	25	03/03/2014-02/03/2024	13.45
	25/04/2016	25	-	-	25	25/04/2016-24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017-30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018-16/12/2028	2.00
Eligible employees	03/03/2014	24	-	-	24	03/03/2014-02/03/2024	13.45
Service providers	03/03/2014	248	-	-	248	03/03/2014-02/03/2024	13.45
	10/03/2015	124	-	-	124	10/03/2015-09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017-30/11/2027	2.80
	17/12/2018	800	-	-	800	17/12/2018-16/12/2028	2.00
In aggregate		3,839	-	-	3,839		

SHARE OPTION SCHEME (CONTINUED)

Notes:

1. The exercise price of the share options has been changed from HK\$0.077 to HK\$1.540 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 27 March 2013, whereby every 20 shares of the Company of HK\$0.01 each were consolidated into 1 new share of the Company of HK\$0.20 each. Pursuant to the open offer of the Company completed on 16 May 2016, the number of share options were adjusted and the exercise price of the share options was also adjusted from HK\$1.540 to HK\$1.241.
2. Pursuant to the open offer of the Company completed on 16 May 2016, the number of share options were adjusted and the exercise prices of the share options granted on 5 February 2013, 3 March 2014, 10 March 2015 and 25 April 2016 were also adjusted from HK\$1.540 to HK\$1.241, from HK\$1.670 to HK\$1.345, from HK\$0.870 to HK\$0.701 and from HK\$0.459 to HK\$0.370 respectively.
3. At the annual general meeting of the Company held on 9 August 2016, shareholders have approved to refresh the general mandate limit that the total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme must not exceed 10% of the shares of the Company in issue on the date of that annual general meeting.
4. Pursuant to the share consolidation passed by the shareholders at a special general meeting of the Company held on 1 March 2021 and took effect on 3 March 2021, the number of share options were adjusted and the exercise prices of the share options granted on 5 February 2013, 3 March 2014, 10 March 2015, 25 April 2016, 1 December 2017 and 17 December 2018 were also adjusted from HK\$1.241 to HK\$12.41, from HK\$1.345 to HK\$13.45, from HK\$0.701 to HK\$7.01, from HK\$0.370 to HK\$3.70, from HK\$0.280 to HK\$2.80 and from HK\$0.200 to HK\$2.00 respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period under Review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rule and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries of all Directors, all Directors confirm that they had complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions throughout the Period under Review.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Listing Rules throughout the Period under Review with the exception of certain deviations as further explained below.

Code provision C.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

The Company does not have insurance cover in this respect. The management of the Company considers that all potential claims and legal actions against the Directors can be handled effectively and the possibility of actual litigation against the Directors is relatively low based on its business operations for the Period under Review. The Company will consider arranging for an appropriate insurance in accordance with the requirements of code provision C.1.8 of the CG Code as and when appropriate.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

CORPORATE GOVERNANCE (CONTINUED)

Mr. Ng currently assumes the roles of both the Chairman and the CEO of the Company. The Board believes that the roles of the Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision F.2.2 of the CG Code provides that the chairman of the board should attend the annual general meeting (the "**AGM**").

Due to other business commitments, Mr. Ng, being the Chairman, was unable to attend the AGM held on 29 September 2023 where he arranged Ms. Ng Wai Yee, who is an executive Director and very familiar with the Group's business and operations, to attend and chair the AGM.

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.

As such, the Company considers that sufficient measures have been in place to ensure that the Company's corporate governance practices and policy are no less exacting than the code provisions.

REVIEW OF RESULTS

The Group's unaudited condensed consolidated interim results for the six months ended 30 September 2023 have not been reviewed or audited by the external auditors of the Company, but have been reviewed by the audit committee of the Company, and the audit committee of the Company is of the view that the interim results of the Group for the six months ended 30 September 2023 were prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

On behalf of the Board

Ng Man Sun

Chairman and Chief Executive Officer

Hong Kong, 28 November 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
	<i>Notes</i>	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	5	—	—
Cost of sales		—	—
Gross profit		—	—
Other income and gains	6	71	109
Impairment loss on accounts and other receivables, net of reversal		—	9,394
Fair value gain on financial assets and financial liabilities at fair value through profit or loss, net		—	2,118
General and administrative expenses		(6,185)	(12,538)
Finance costs	7	(4,876)	(4,929)
Loss before taxation	8	(10,990)	(5,846)
Income tax credit	9	—	—
Loss for the period attributable to owners of the Company		(10,990)	(5,846)
Loss and total comprehensive expenses for the period attributable to owners of the Company		(10,990)	(5,846)
Loss per share			
Basic and diluted (HK cents)	11	(8.57)	(4.56)

Condensed Consolidated Statement of Financial Position

At 30 September 2023
(Expressed in Hong Kong dollars)

	30 September 2023	31 March 2023
<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets		
Plant and equipment	178	311
Deposits paid	7,905	7,905
	8,083	8,216
Current assets		
Other receivables	12 78,958	79,093
Cash and cash equivalents	3,886	3,807
	82,844	82,900
Current liabilities		
Other payables	16,836	14,838
Other borrowings	13 118,008	112,677
Tax payables	734	734
	135,578	128,249
Net current liabilities	(52,734)	(45,349)

Condensed Consolidated Statement of Financial Position

At 30 September 2023

(Expressed in Hong Kong dollars)

	<i>Notes</i>	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Total assets less current liabilities		(44,651)	(37,133)
Non-current liabilities			
Convertible bond	14	33,836	30,364
		33,836	30,364
NET LIABILITIES		(78,487)	(67,497)
Equity			
Share capital	15	1,282	1,282
Reserves		(79,769)	(68,779)
TOTAL DEFICIT		(78,487)	(67,497)

Condensed Consolidated Statement of Changes in Equity

At 30 September 2023
(Expressed in Hong Kong dollars)

	Share	Share	Special	Contributed	Capital	Convertible	Accumulated	Total
	capital	premium	reserve	surplus	reserve	bonds	losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 16)	(note(ii))	(note(iii))	(note(iii))	(note(iv))	(note(v))		
At 1 April 2022 (Audited balance)								
forward from 31 March 2022)	1,282	571,880	(22,470)	2,435,239	32,030	9,863	(3,054,494)	(26,670)
loss for the period	-	-	-	-	-	-	(5,846)	(5,846)
At 30 September 2022	1,282	571,880	(22,470)	2,435,239	32,030	9,863	(3,060,340)	(32,516)
At 1 April 2023 (Audited balance)								
forward from 31 March 2023)	1,282	571,880	(22,470)	2,435,239	49,558	7,766	(3,110,752)	(67,497)
loss for the period	-	-	-	-	-	-	(10,990)	(10,990)
At 30 September 2023	1,282	571,880	(22,470)	2,435,239	49,558	7,766	(3,121,742)	(78,487)

Notes:

The amounts of the Group's reserves and movements therein are presented in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity.

(i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

(ii) Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition pursuant to the corporate reorganisation prior to the listing of the Company's shares.

(iii) Contributed surplus

The contributed surplus of the Company represents the following:

- the differences between the consolidated shareholders' funds of subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares of the Company issued under the corporate reorganisation; and
- the credit of approximately HK\$255,213,000 arising from the capital reduction on 3 March 2021 transferred from the Company's share capital account.

Under The Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders or for set-off the accumulated losses of the Company in full.

(iv) Capital reserve

The capital reserve comprises the following:

- the fair value of the unexercised share options granted to employees and service provider of the Company recognised in accordance with the accounting policy; and
- the amount transfer from convertible bonds reserve in regarding to the equity component of unexercised convertible bonds at the expiry date recognised in accordance with the accounting policy.

(v) Convertible bonds reserve

The convertible bonds reserve comprises the amount allocated to equity component of the convertible bonds on issue date recognised in accordance with the accounting policy.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(5,323)	(7,330)
Net cash generated from investing activities	71	–
Net cash generated from financing activities	5,331	7,363
Net increase in cash and cash equivalents	79	33
Cash and cash equivalents as at 1 April	3,807	3,756
Cash and cash equivalents as at 30 September	3,886	3,789

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

1. GENERAL INFORMATION

Century Entertainment International Holdings Limited (the “**Company**”) was incorporated and domiciled in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company is G02, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The principal activities of the Company and its subsidiaries (together referred as the “**Group**”) are investment holdings, operating the gaming tables in Cambodia and the development of innovative intellectual properties and technological solutions in connection with AR/VR applications to clients.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the same as the functional currency of the Group, rounded up to the nearest thousand, unless otherwise indicated.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023.

These condensed consolidated financial statements have not been audited but have been reviewed by the Company’s audit committee.

2. BASIS OF PREPARATION (CONTINUED)

(b) Going concern

In preparing the condensed consolidated financial statements, the directors of the Company (the “**Directors**”) have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2023. The Group incurred a consolidated net loss after taxation attributable to owners of the Company of approximately HK\$10,990,000 for the six months ended 30 September 2023, and had consolidated net current liabilities of approximately HK\$52,734,000 as at 30 September 2023.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

1. The borrowings from Mr. Ng Man Sun (“**Mr. Ng**”), an executive director, the Chairman, the CEO and a substantial shareholder of the Company, of HK\$60,008,000 was included in other borrowings of the Group;
2. Mr. Ng undertook that he will not call for repayment of the abovementioned sum;
3. Mr. Ng is willing to provide the Company with financial assistance to fill the shortfall of the Company’s working capital;

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

2. BASIS OF PREPARATION (CONTINUED)

(b) Going concern (CONTINUED)

4. included in the other borrowings, there is a sum of HK\$58,000,000 due to independent third parties which are personally guaranteed by Mr. Ng; and
5. a convertible bond amounted to HK\$50,000,000 in principal is held by Mr. Ng and he is able to convert the convertible bond into equity shares subject to the compliance of the terms and conditions of the convertible bond and/or corresponding Listing Rules and Takeovers Code.
6. The Group entered into acquisition of eight gaming table business rights with a company controlled by Mr. Ng (the "**Acquisition**"). Details are set out in the announcement of the Company dated 27 February 2023. The completion of the Acquisition is subject to approval from independent shareholders of the Company. Up to the date of this report, the approval was not yet obtained and the Acquisition was not yet completed.

In addition, the Directors will use their best endeavours to take practicable and feasible actions to resolve the issue, including but not limited to the following:

1. The management will negotiate with creditors of the Group to propose debt reconstruction with the view to reducing the liabilities to the Group. The management has had internal discussion on the possible timeline and the negotiation terms and is currently seeking legal advice and further announcement will be published in due course.
2. The management will discuss with the holder of the convertible bond, that is, Mr. Ng, on the possibilities to convert the convertible bond into equity shares prior to the maturity date. As at the date of this report, the Company has yet to discuss with Mr. Ng on this issue.

2. BASIS OF PREPARATION (CONTINUED)

(b) Going concern (CONTINUED)

Having taken into account of the abovementioned, the Directors opined that the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 September 2023 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

(c) Judgments and estimates

Preparing the condensed consolidated financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, significant judgments made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 March 2023.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The principal accounting policies used in the Condensed Financial Report are consistent with those adopted in the 2022/2023 Annual Financial Statements, except for the adoption of the new or amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2023.

The adoption of the New and Revised HKFRSs has had no significant effect on these condensed consolidated financial statements for the six months ended 30 September 2023 and there have been no significant changes to the accounting policies applied in these condensed consolidated financial statements for the six months ended 30 September 2023.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

4. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors) (“**CODM**”) in order to allocate resources to segments and to assess their performance.

During the six months ended 30 September 2023 and 30 September 2022, the Group’s operating activities are attributable to two operating segments focusing on (i) gaming and entertainment related businesses; and (ii) AR/VR applications and mobile games solutions.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The following is an analysis of the Group's revenue and results by reportable and operating segments:

(a) Segment revenue and results

	Six months ended 30 September 2023 (Unaudited)		
	AR/VR and mobile games		Total
	Gaming and entertainment HK\$'000	solutions HK\$'000	HK\$'000
Segment revenue	—	—	—
Segment profit/(loss)	—	—	—
Unallocated income			71
Unallocated corporate expenses			(6,185)
Unallocated finance costs			(4,876)
Loss before taxation			(10,990)

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (CONTINUED)

	Six months ended 30 September 2022 (Unaudited)		
	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000
Segment revenue	-	-	-
Segment profit/(loss)	11,407	(6,750)	4,657
Unallocated income			109
Unallocated corporate expenses			(5,683)
Unallocated finance costs			(4,929)
Loss before taxation			(5,846)

Segment profit/(loss) represents the profit/(loss) of each segment without allocation of central administration costs, directors' emoluments, other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

The following table presents assets and liabilities of the Group's operating segments as at 30 September 2023 and 31 March 2023:

	30 September 2023 (Unaudited)			31 March 2023 (Audited)		
	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000
Assets						
Segment assets	<u>38,588</u>	<u>–</u>	<u>38,588</u>	<u>38,588</u>	<u>–</u>	<u>38,588</u>
Unallocated corporate assets			<u>52,339</u>			<u>52,558</u>
Consolidated total assets			<u>90,927</u>			<u>91,116</u>
Liabilities						
Segment liabilities	<u>–</u>	<u>734</u>	<u>734</u>	<u>–</u>	<u>734</u>	<u>734</u>
Unallocated corporate liabilities			<u>168,680</u>			<u>157,879</u>
Consolidated total liabilities			<u>169,414</u>			<u>158,613</u>

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (CONTINUED)

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segment, other than unallocated deposits, prepayments and other receivables, bank balances and cash and other corporate assets; and
- All liabilities are allocated to operating segments, other than unallocated other payables and accruals and other corporate liabilities.

5. REVENUE

The Group did not generated revenue during the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

6. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	71	–
Government subsidies (note)	–	108
Others	–	1
	71	109

Note:

The amount represented COVID-19 related subsidies which related to Employment Support Scheme provided by the Government of Hong Kong Special Administrative Region under the Anti-Epidemic Fund. Government subsidies have been recognised as other income on a systematic basis over the periods in which the Group recognises the staff costs for which the government subsidies are intended to compensate. The Group recognised as other income for the period as the Group fulfilled all the relevant granting criteria.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

7. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on other borrowings	1,404	1,404
Interest on convertible bonds	3,472	3,525
	4,876	4,929

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits	2,244	2,174
Contributions to defined contribution retirement plans	37	37
	2,281	2,211
(b) Other items		
Depreciation of plant and equipment	133	192
Amortisation of intangible assets	—	6,880
Expense related to short-term lease	11	16

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

9. INCOME TAX CREDIT

Pursuant to the rules and regulations of Bermuda, British Virgin Islands (“**BVI**”) and Cambodia, the Group is not subject to any income tax in Bermuda, BVI and Cambodia.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2023 and 2022 as the Group had incurred losses for taxation purpose.

10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share was based on the loss attributable to owners of the Company of approximately HK\$10,990,000 (six months ended 30 September 2022: HK\$5,846,000) and the weighted average number of 128,247,561 (30 September 2022: 128,247,561) ordinary shares in issue during the Period under Review.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2023 and 30 September 2022 in respect of a potential dilution of share options and convertible bonds as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

12. OTHER RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Other receivables	95,237	95,237
Less: Allowance for expected credit losses	(16,764)	(16,764)
Other receivables, net	78,473	78,473
Rental and other deposits	340	176
	78,813	78,649
Prepayments	145	444
	78,958	79,093

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

13. OTHER BORROWINGS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Loan from a director (note a)	60,008	54,677
Other loans from independent third parties (note b)	58,000	58,000
	118,008	112,677

Notes:

- (a) Loan from a director, Mr. Ng, is unsecured, interest free and repayable on demand.
- (b) Other loans from independent third parties with an amount of HK\$30,000,000 (31 March 2023: HK\$30,000,000) are unsecured, interest free and repayable on demand.

The remaining amount of other loans from independent third parties of HK\$28,000,000 (31 March 2023: HK\$28,000,000) are unsecured, subject to interest at 10% p.a., and repayable on demand.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

14. CONVERTIBLE BOND

	30 September 2023	31 March 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
CB – principal amount of HK\$50 million (note)	33,836	30,364
Analysis:		
Non-current liabilities	33,836	30,364

Note:

In November 2022, the Company completed the issue of convertible bond (“**CB**”) with principal amount of HK\$50 million to Mr. Ng for settlement of other borrowings. Such transaction was treated as equity transaction as Mr. Ng is shareholder of the Company. At issuance date of the CB, the fair value was determined to be approximately HK\$36,044,000.

The CB is unsecured and non-interest bearing. The holder of the CB will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.5 per conversion share until the maturity date at 30 September 2025. The CB is determined to be a compound financial instrument with a conversion option, that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company’s obligation to pay the principal amount of the convertible bonds on respective maturity dates if the convertible bonds are not converted or redeemed).

On initial recognition of the CB, the equity component of each convertible bond is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Accordingly, on initial recognition, the Group first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument is then determined by deducting the fair value of the financial liability from the fair value of the convertible bonds as a whole.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

14. CONVERTIBLE BOND (CONTINUED)

Note: (Continued)

The Group recognised the values of equity component for the CB of approximately HK\$7,766,000 as equity upon their initial recognition.

The fair value of the liability component of convertible bond on initial recognition was calculated using a discounted cash flow approach and the discount rate adopted is 22.26%. No change in fair value of convertible bond on initial recognition.

At subsequent reporting dates, the liability component of CB is carried at amortised cost with effective interest rate of 22.26%.

None of convertible bond was converted into ordinary shares of the Company during the six months ended 30 September 2023 and 2022.

15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary share of HK\$0.01 each at 31 March 2023 (audited) and 30 September 2023	40,000,000	400,000
Issued and fully paid:		
Ordinary share of HK\$0.01 each at 31 March 2023 (audited), and 30 September 2023	128,247	1,282

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

At 30 September 2023 and 31 March 2023, the Group did not have any financial assets and liabilities that were measured at fair value.

During the six months ended 30 September 2023 and 2022, there was no transfer between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements. The Group's policy is to recognise transfer between levels as at the end of the reporting period.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

17. MATERIAL RELATED PARTY TRANSACTION

The Group had no significant transaction with related party during the six months ended 30 September 2023 and 2022.

The remuneration of key management personnel for the six months ended 30 September 2023 amounted to HK\$894,000 (six months ended 30 September 2022: HK\$899,000).

18. EVENTS AFTER REPORTING PERIOD

On 16 October 2023, the Company announced that the Company entered into a subscription agreement with Mr. Ng, Mr. Ng has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the convertible bond in the principal amount of HK\$32,000,000.

References are made to the announcement of the Company dated 16 October 2023 and circular of the Company dated 21 November 2023. The subscription is subject to approval from independent shareholders. Up to the date of this report, the approval was not yet obtained and the subscription was not yet completed.